

- 1. Chairman McCain, Ranking Member Reed, and other distinguished members of the subcommittee, thank you for the privilege to be here today and represent our Navy Team - our Sailors, civilians, and their families.
- 2. Before I begin, would like to take a moment to add my voice, on behalf of the Navy, to the chorus of voices who are hoping and praying for Congressman Scalise and the other victims of yesterday's brutal attack. Admire their strength and toughness and our best wishes for a quick recovery.
- 3. Want to take some time this morning to briefly outline where your Navy stands today, and where we need to go.
- 4. Recently back from Rota, Singapore and Guam. Sailors in harm's way, around the world, facing rising threats. They are talented, dedicated, and laser-focused on their mission. This is despite the growing challenges of the security environment, and

- the challenges that **we've** imposed by inconsistent, delayed, and inadequate funding.
- 5. Today, I hope to convey a sense of urgency -- our adversaries are improving more quickly than we are. Our advantage is eroding, and we MUST increase our naval power *today*, and pick up the pace, to maintain our winning advantage.
- 6. This effort starts by ensuring we have a firm foundation for solid growth restoring wholeness -- balance.
- 7. This began with the FY-17 budget, which help arrest readiness declines, Thank you for that.
- 8. But more needs to be done.
- 9. Challenges are sufficiently deep it will take both predictable and sufficient funding, and some time, to fully recover.
 - a. We've got hundreds of aircraft grounded due to maintenance backlogs and spares shortages
 - b. Pilots can't fly enough
 - c. Maintainers struggling to keep planes that are working up in the air.
 - d. Haven't funded spare parts at required levels.
 - 10. Maintaining our ships also a struggle.

- a. Submarines and warships tied up to the pier, unable to submerge or get underway
- b. Know many of you are focused on adding more ships to the Fleet. I am too!
- c. But if I can't repair a ship that's already been bought and paid for to get to sea, I forfeit the good hard work of our predecessors.
- d. And the net effect is the same as not buying a ship -- one less ship at sea, today. And US Naval Power suffers.
- 11. Making strides here
 - a. As I mentioned, FY-17 was a great help to restore a lot of readiness.
 - b. FY-18 will capitalize on that investment and restore balance and wholeness so we can grow moving forward.
 - c. Lots that we need to do to shore up the force we have -need a firm foundation.
- 12. As articulated in White Paper I released last week, we also need a larger, and more capable Fleet.
 - a. Even as we shore up wholeness, FY-18 preserves the programmed growth for the Navy

- b. Invests in emerging technologies for the future
- c. A balanced approach that starts the acceleration of naval power from a firm foundation
- 13. As I talk to our Sailors forward -- protecting America from attack and promoting our interests around the world, they are focused as ever on the mission -- I know that you share my immense pride in them.
- 14. But there is also a growing sense in the deployed fleet that we just don't get it back here in Washington. Sometimes seems like we live in a parallel universe. Need to bring these two realities together, and fast.
 - a. As an example, they are already hearing that our FY-18 budget may not get passed on time -- 9th year in a row.
 - b. Getting harder to explain to our Sailors and their families, or to those who might want to join.
- 15. I am hopeful. And I am willing to do whatever it takes working together with you and get them the resources and support that they need and that they deserve.

16. Again, thank you for the opportunity to be here, and I look forward to your questions.